

DIRECTIVE

JOB TRAINING PARTNERSHIP ACT

Number: D99-10

Date: May 1, 2000
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TO: SERVICE DELIVERY AREA ADMINISTRATORS
PRIVATE INDUSTRY COUNCIL CHAIRPERSONS
JTPD PROGRAM OPERATORS
EDD JOB SERVICE OFFICE MANAGERS
WID STAFF

SUBJECT: TITLE II AND TITLE III FUNDS UTILIZATION FOR PY 1999/2000

EXECUTIVE SUMMARY:

Purpose:

This directive suspends State policy and procedures issued in Job Training Partnership Act (JTPA) directives D97-13, dated January 22, 1998, and D97-18, dated March 24, 1998. These directives pertain to funds utilization requirements, specifically, the recapture and reallocation of underobligated and underexpended JTPA Title II and Title III funds.

Scope:

Funds utilization requirements applicable to Title II-A 77 percent, Title II-C 82 percent, and Title III 60 percent are suspended for Program Year (PY) 99/00. Title III 40 percent projects are scheduled to end on June 30, 2000 and any unspent Title III 40 percent funds must be returned to the State via the final closeout report. Exceptions to this rule must be requested in writing to Bill Burke, Chief of the Workforce Investment Division. Requests will be forwarded to the Director of the Employment Development Department (EDD) for decision on a case by case basis.

Effective Date:

This directive is effective immediately.

REFERENCES:

- JTPA Section 109
- JTPA Sections 302 and 303
- Title 20 Code of Federal Regulations (CFR) Parts 626.5 and 627.410
- Title 20 CFR Part 631

STATE-IMPOSED REQUIREMENTS:

This directive contains only State-imposed requirements.

FILING INSTRUCTIONS:

This directive supersedes JTPA Directive D97-13, dated January 22, 1998, JTPA Directive D97-18, dated March 24, 1998, and finalizes Draft Directive DD-27 issued for comment on April 11, 2000. Retain this directive until further notice.

BACKGROUND:

Section 109 of the JTPA requires the Governor to recapture, at the end of the first year, unobligated Title II-A and Title II-C funds that exceed 15 percent of the State's allocation for that program year. The JTPA Section 303 requires the Governor to recapture unexpended Title III funds that exceed 20 percent of the State's program year allocation, plus the unexpended balance of the allotment from the prior program year allocation. The State has established fund utilization policies and procedures to comply with these federal requirements.

The Secretary of Labor has been authorized to waive the statutory requirements in Sections 109 and 303 of the JTPA for PY 99/00. The Department of Labor (DOL) has advised states that it will not recapture underobligated Title II funds or underexpended Title III funds at the end of PY 99/00. Accordingly, the State will not recapture underobligated or underexpended Title II or Title III (60 percent) funds from local areas at the end of PY 99/00. This includes any unexpended balances that were carried forward into PY 99/00 from the prior program year (PY 98/99) allocation.

POLICY AND PROCEDURES:

1. Title II-A 77 Percent Funds

Unobligated or unexpended Title II-A 77 percent funds will be carried forward into the *adult* program under the new Workforce Investment Act (WIA) on July 1, 2000, via a modification to the local area's subgrant.

2. Title II-C 82 Percent Funds

Unobligated or unexpended Title II-C 82 percent funds will be carried forward into the *youth* program under WIA on July 1, 2000, via a modification to the local area's subgrant.

3. Title III Formula (60 Percent) Funds

Unexpended Title III 60 percent funds will be carried forward into the *Dislocated Worker* program under WIA on July 1, 2000, via a modification to the local area's subgrant.

4. Title III 40 Percent Governor's Reserve Funds

All Title III 40 percent projects are scheduled to end on June 30, 2000. Any unspent funds must be returned to the State via the final closeout report. Requests for exceptions will be handled on a case by case basis. Unexpended Title III 40 percent funds may be carried forward into WIA only with the approval of the EDD Director.

ACTION:

Please bring this directive to the attention of all affected staff and service providers.

INQUIRIES:

Questions concerning this directive may be directed to Deborah Cusimano, Manager, Data Analysis Unit, at (916) 653-4292. Questions related to program expenditures, closeout, or other financial matters should be directed to your assigned program manager, at (916) 654-7799.

/S/ BILL BURKE
Chief